

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the Gas Market Activities of Southern California Gas Company, San Diego Gas and Electric, Southwest Gas, Pacific Gas and Electric, and Southern California Edison and their impact on the Gas Price Spikes experienced at the California Border from March 2000 through May 2001.

Investigation 02-11-040
(Filed November 21, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING SHORTENING TIME FOR
RESPONSE TO MOTION, REQUESTING ADDITIONAL INFORMATION, AND
SCHEDULING EVIDENTIARY HEARINGS IN PHASE I.A**

In this Administrative Law Judge's (ALJ) ruling regarding Phase I.A of this proceeding, I address the motion filed on October 14, 2004 by Southern California Edison Company (SCE), request certain additional information, and propose to remove protected status from a portion of a document in Exhibit 89P. In an October 6, 2004 ALJ ruling, I set aside submission of the record in Phase I.A for the receipt of certain exhibits. While the requirements in that ALJ ruling for submission of the Phase I.A record have been met, I find it necessary to set aside submission for the receipt of additional evidence as described in this ALJ ruling.

I. SCE Motion

In its October 14, 2004 motion, SCE requests that certain additional documents, filed under seal and attached to SCE's motion as Exhibit A and Exhibit B, be admitted into the Phase I.A evidentiary record. SCE also requests that these documents, presently designated as Protected Materials pursuant to

the Modified Protective Order applicable to this proceeding, be redesignated as public materials.

Pursuant to Rule 45(f), I shorten the time for responses to SCE's motion. I require Southern California Gas Company (SoCalGas) and allow other parties to file responses to SCE's motion no later than October 21, 2004.

My initial review of the documents attached to SCE's motion indicates that they may be relevant and valuable to the Commission's consideration of Phase I.A issues. I realize that other parties may wish to present evidence regarding the proper interpretation or weight to be given these documents. Parties may attach to their responses to SCE's motion any documentary evidence they may wish the Commission to consider if the documents attached to SCE's motion as Exhibit A and Exhibit B are received into the record.

I schedule additional evidentiary hearings in Phase I.A for October 25, 2004, at which time parties may present oral testimony related to the documents attached to SCE's motion and any documents that may be attached to parties' replies to SCE's motion. SoCalGas should provide percipient witness(es) to testify regarding the two documents. If possible, the author of the document SCE designates as Exhibit A should appear to testify regarding that document. Counsel for the parties may provide closing statements at the end of the hearings.

II. Additional Information

While the Subject Period of this investigation is from March 2000 through May 2001, certain information in the record is limited to Year 7 of SoCalGas' Gas Cost Incentive Mechanism (GCIM). To help ensure completeness of the record regarding the entire Subject Period, I require that SoCalGas provide three additional late-filed exhibits, as described herein, no later than October 21, 2004.

Attachment 3-9 in Exhibit 90 (also in Exhibit 88P) contains a summary of SoCalGas' Year 7 GCIM performance. SoCalGas should file an exhibit providing comparable information for GCIM Year 6 and Year 8.

Attachment 3-13 in Exhibit 90 (also in Exhibit 88P) contains detailed information, by month, regarding hub loan transactions for May 2000 through March 2001. SoCalGas should file an exhibit providing comparable information for March 2000, April 2000, April 2001, and May 2001.

Exhibit 111 contains SoCalGas sales and sendout data for GCIM Year 7. SoCalGas should file an exhibit providing comparable information for March 2000, April 2001, and May 2001.

Parties may raise any objections to the receipt of these late-filed exhibits during the October 25, 2004 hearings.

III. Protected Status of Portions of Seasonal Operations Plan

SoCalGas' Seasonal Operations Plan for the winter of 2000/2001 is included as Attachment B-5 in Exhibit 89P. As explained in ALJ Thorson's August 31, 2004 ruling, this operations plan contains storage field operations and maintenance information that warrants protection.

Portions of the Seasonal Operations Plan are relevant to a contested Phase I.A issue regarding the Montebello storage field and do not appear to address the sensitive topics for which ALJ Thorson found protection warranted. So that I may reference this information in the Phase I.A Proposed Decision, I plan to remove protected status for the following portions of the Seasonal Operations Plan:

- page 2 of Attachment B-5 (the cover page of the operations plan),
- page 7 (page 5 of the plan),

- the top portion of page 10 (page 6 of the plan) ending with “the following steps:” and
- Section D on page 14 (page 7 of the plan).

SoCalGas should indicate as part of its filing submitting the three late-filed exhibits required by this ruling whether and, if so, why it objects to removal of protected status of these portions of the Seasonal Operations Plan. SoCalGas should also indicate whether it stipulates that the protected material on the bottom half of page 10 of Attachment B-5 (page 6 of the operations plan) does not address operation of the Montebello storage field.

If needed, the treatment of Attachment B-5 in Exhibit 89P may be addressed during the October 25, 2004 hearings. Unless SoCalGas presents convincing argument otherwise, I plan to mark the indicated portions of Attachment B-5 in Exhibit 89P as a separate exhibit and receive it as a non-protected exhibit in Phase I.A.

Therefore, **IT IS RULED** that:

1. The time is shortened for filing responses to the motion filed on October 14, 2004 by Southern California Edison Company (SCE). Southern California Gas Company (SoCalGas) shall and other parties may file responses no later than October 21, 2004, as provided herein.
2. The submission of the Phase I.A record in Investigation 02-11-040 is set aside and the Phase I.A proceeding is reopened to allow receipt of additional information as provided herein.
3. Additional evidentiary hearings in Phase I.A of this proceeding shall be held commencing at 9 a.m. on October 25, 2004 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

4. SoCalGas shall provide percipient witness(es) to testify regarding the documents SCE designates as Exhibit A and Exhibit B, including if possible the author of Exhibit A.

5. SoCalGas shall file three late-filed exhibits no later than October 25, 2004, as described herein.

6. In its filing submitting the late-filed exhibits, SoCalGas shall indicate whether and, if so, why it objects to removal of protected status of portions of Attachment B-5 in Exhibit 89P, as described herein. SoCalGas shall also indicate whether it stipulates that the protected material on the bottom half of page 10 of Attachment B-5 (page 6 of the Seasonal Operations Plan) does not address operation of the Montebello storage field.

Dated October 15, 2004, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST

Charlotte F. TerKeurst
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties who have provided an electronic mail address, this day served a true copy of the original attached Administrative Law Judge's Ruling Shortening Time for Response to Motion, Requesting Additional Information, and Scheduling Evidentiary Hearings in Phase I.A on all parties of record in this proceeding or their attorneys of record.

Dated October 15, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

I.02-11-040 CFT/hl2

(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.